



SPECIAL ENFORCEMENT OPERATIONS BUREAU

2020 REPORT

JUNE 30, 2020

THE DIVISION OF
CRIMINAL INVESTIGATION



REPORT REGARDING A REVIEW OF THE NUMBER OF SPECIAL AGENTS AND THEIR ACTIVITIES PURSUANT TO THE REQUIREMENTS OF IOWA CODE 99D.14(2)F AND 99F.10(4)G.

FILED WITH THE JOINT APPROPRIATIONS SUBCOMMITTEE ON THE JUSTICE SYSTEM:

- **SECRETARY OF THE SENATE W. CHARLES SMITHSON**
 - SENATOR JULIAN B. GARRETT, CHAIR
 - SENATOR ROBERT HOGG, RANKING MEMBER
- **CHIEF CLERK OF THE HOUSE MEGHAN NELSON**
 - REPRESENTATIVE GARY WORTHAN, CHAIR
 - REPRESENTATIVE MARTI ANDERSON, RANKING MEMBER

TABLE OF CONTENTS

Introduction	3
Special Agent 1, Special Agent 2 Duties & Responsibilities	4
Coordinated Efforts.....	8
DCI Staffing Levels	9
Licensee Comments	11
IRGC Commission Comments	13
Gaming State Comparisons	14
Law Enforcement Agency Comments	15
Addendums..	16-28

POINT OF CONTACT:

David Jobes, Assistant Director, DCI
Special Enforcement Operations Bureau
515.725.6014
jobes@dps.state.ia.us

INTRODUCTION

EVALUATING DCI GAMING OVERSIGHT

“Having a law enforcement presence is essential to the industry. Iowa has a long history of keeping the industry clean, keeping corruption out. DCI presence serves as a deterrent and provides peace of mind for the casinos, the public and the Commission.”

Brian Ohorilko
IRGC Administrator

For nearly 100 years, the DCI has proudly assisted local law enforcement agencies in solving crimes with a mission to protect the citizens of Iowa, show compassion to victims and their families, and hold criminals responsible for their actions. This commitment to serve Iowa has been evident since the early days of helping apprehend the infamous “Barrow Gang” and other criminals, to assisting with identifications in the crash of United Flight 232, to investigating and recording offenders in all 99 counties. In 1989, the Iowa Legislature requested the DCI begin supporting the oversight of gambling on Iowa’s waterways. In preparation for this venture, the “Gaming Bureau” was created to ensure public confidence and trust in Iowa’s rapidly-expanding gaming industry that included casinos, race tracks and lotteries, as well as social and charitable gaming.

In 2013, the Bureau’s name changed to the Special Enforcement Operations Bureau as the result of a multi-year effort by the Department of Public Safety to reflect a new approach to gambling enforcement in Iowa. The new model refocused the mission of the Gaming Bureau with a greater emphasis on financial crimes, such as money laundering, credit card fraud, suspicious financial activity reporting and cash transaction reporting, as well as human trafficking and intelligence collection. Education is a foundational piece of the DCI and the SEOB. A focus on training has equipped the Special Agents of SEOB with the tools to investigate the methods of cheating and detection, money-laundering operations, fraudulent documents, drug trafficking and to conduct background investigations. As the industry has matured, the SEOB has evolved to meet needs with more experienced agents who work together with the Iowa Gaming and Racing Commission to maintain the integrity of the Iowa gaming industry.

Today, the Iowa Department of Public Safety’s Division of Criminal Investigation (DCI) is the primary criminal investigative and enforcement agency for gambling laws in Iowa. The Iowa Legislature has authorized various forms of gambling since 1983 with passage of the Iowa Pari-Mutuel Wagering Act, followed by the Excursion Boat Gambling Act, and most recently legislation permitting sports wagering and fantasy sports contests. Throughout this 37-year history, numerous changes have been made to the gambling statutes allowing for a gradual expansion of authorized gambling activities.



CASINOS

RACING

FANTASY SPORTS

SPORTS WAGERING

There are three primary chapters of the Iowa Code relevant to the responsibilities of the DCI. Chapter 99D authorizes pari-mutuel wagering on horse and dog racing activities, chapter 99F authorizes casino gambling and sports wagering, and Chapter 99E authorizes fantasy sports contests. The DCI is the primary criminal investigative and enforcement agency for each of these chapters.

The IRGC is the primary regulatory agency for the gambling activities authorized in each of these chapters. The DCI works in concert with the IRGC on matters related to the regulation and enforcement of Iowa's gambling laws.

Pursuant to Iowa Code Chapter 99F.10(4)(g), "The division of criminal investigation shall review the number of special agents permitted for each excursion gambling boat or gambling structure under this subsection and the activities of such agents. The review shall also include comments from the commission and licensees and be combined with the review conducted under section 99D.14, subsection 2, paragraph "f". The division of criminal investigation shall file a report detailing the review conducted pursuant to this paragraph with the co-chairpersons and ranking members of the joint appropriations subcommittee on the justice system and the legislative services agency by July 1, 2020."



Ameristar Casino Hotel	Council Bluffs	Isle Casino Hotel	Waterloo
Casino Queen	Marquette	Lakeside Hotel Casino	Osceola
Catfish Bend Casino	Burlington	Prairie Meadows	Altoona
Diamond Jo Dubuque	Dubuque	Q Casino	Dubuque
Diamond Jo Worth	Northwood	Rhythm City Casino Resort	Davenport
Grand Falls Casino & Golf	Larchwood	Riverside Casino & Golf Resort	Riverside
Hard Rock Hotel & Casino	Sioux City	Wildrose Casino & Resort	Clinton
Harrah's	Council Bluffs	Wildrose Casino & Resort	Emmetsburg
Horseshoe Bend	Council Bluffs	Wildrose Casino & Resort	Jefferson
Isle Casino Hotel	Bettendorf		

SPECIAL AGENT 1 & SPECIAL AGENT 2 DUTIES AND RESPONSIBILITIES

Prior to the reorganization of the Gaming Bureau in 2013, the DCI had two Special Agent classifications in Iowa's casinos - the Special Agent 1 and Special Agent 2. Although the primary duties and responsibilities of the two agent classifications overlapped in several areas, the Special Agent 1 position provided a significant front-line presence and law enforcement services at each casino property. These personnel were assigned to work nearly a 24/7/365 schedule within the casinos. The duties and responsibilities of a Special Agent 1 were broad, but much of their time was focused on the enforcement of the laws and administrative rules/regulations related to casino gambling and responding to requests for police service by casino security. Special Agent 1s also completed backgrounds on low to mid-level casino employees and conducted investigations in the areas of theft, public intoxication, trespassing, illegal drugs, civil disturbance, and other crimes connected to gaming venues.

Embezzlement To Support A Gambling Habit

DCI Agents in Northeast Iowa conducted an investigation into the activities of an attorney who had been accused of embezzling funds belonging to his clients in support of his gambling habit. At the conclusion of the investigation, the suspect plead guilty to First Degree theft, and was ordered to pay \$145,278.03 in restitution to his victims. The Iowa Supreme Court also revoked his license to practice law in Iowa.

Prior to reorganization, personnel working in the Special Agent 2 classification conducted comprehensive background investigations on key individuals of companies and corporations seeking gaming licensure in the State of Iowa. Their work frequently involved extensive travel throughout the United States and internationally. Although Special Agents no longer provide 24/7 coverage in Iowa's casinos, they still perform many of the duties and responsibilities of the former Special Agent 1 position, to include completion of investigations into theft, underage gambling, illegal narcotics and trespassing as well as all backgrounds on low to

mid-level casino employees. In addition to maintaining their ongoing responsibility to manage all casino-related criminal investigations, Special Agent 2 personnel continue their work on the completion of extensive business entity and individual background investigations. Special Agents 2s also initiate complex financial investigations involving fraud, forgeries, identity theft, counterfeit currency, money laundering and, more recently, investigations involving sports wagering activity. Special Agents also evaluate CCTV surveillance systems in operation within Iowa casinos to ensure they meet the minimum standards delineated in administrative rules.

During the 88th General Assembly, the Legislature passed SF 617, which Governor Reynolds signed into law on May 13, 2019. SF 617 expands the scope of regulated gambling activities in Iowa by allowing sports wagering connected to Iowa casinos and fantasy sports contests by licensed entities. Those companies seeking to join the Iowa market quickly began submitting application materials for licensure, including background investigation materials. Over the course of the next 18 months, the DCI conducted background investigations on 19 companies and 25 key individuals associated with sports wagering and fantasy sports activities.

Sports wagering is an entirely new form of authorized gambling activity in the State of Iowa and, as of today, the level of staff or resources necessary to provide for adequate enforcement of the laws applicable to sports wagering remains uncertain. Gaming industry leaders and law enforcement leaders across the country are seeing the sports betting markets expand rapidly. However, its ties to illegal gambling, and its ability to fund a host of criminal activities, such as drug and human trafficking, money laundering and racketeering are concerning. Recent studies have begun to indicate that

Financial Exploitation of a Dependent Adult

DCI Agents in Northwest Iowa initiated an investigation concerning a series of unauthorized withdrawals from an elderly woman's checking account who resided in an assisted living facility. The investigation identified numerous unauthorized withdrawals by a family member of the victim totaling \$49,000 in 4 months. The suspect was a customer of an Iowa casino.

unlawful sports wagering is one of the most significant threats to legitimate gambling properties. Although the research highlights how a legalized, transparent, and regulated sports betting market, which can help curtail illegal gambling operations, there still is a need for law enforcement to have the training and tools to monitor and investigate legalized sports betting and protect both consumers and the integrity of games. In the years ahead, illegal operators and bad actors will emerge and attempt to use Iowa's legalized sport betting platforms to further their criminal enterprises. Today, DCI Special Agents working in Iowa casinos continue to learn all aspects of sports betting to include understanding the inner workings and limitations of the technologies involved. In short,

Fraudulent Check Scheme

DCI Agents in Northwest Iowa investigated a series of incidents involving attempts to cash fraudulent checks at Iowa casinos. The investigation revealed a criminal group based in Georgia was recruiting homeless people in South Dakota to take fraudulent \$15,000 checks and cash them at Iowa casinos and banks. The Iowa portion of this investigation resulted in charges against three individuals, and the case has been referred for potential federal prosecution in multiple jurisdictions.

the complete impact of sports betting and fantasy sports on criminal activity levels and the DCI are unknown. Regardless, the duties of SEOB Special Agents will continue to increase as sports gaming takes hold in Iowa and the necessary level of digital expertise to investigate this arena will expand exponentially.

The DCI Agents assigned to conduct criminal investigation and enforcement responsibilities of chapters 99D, 99E and 99F retain office space in each of the licensed casinos. Special Agents conduct a wide range of enforcement duties including self-initiated investigations, casino-reported incidents requiring additional investigation and responding to calls for service. DCI Agents also conduct extensive background investigation work concerning all individuals and companies seeking to work in the Iowa

gambling industry. The purpose of these investigations is to gather and verify information concerning the applicant seeking to work or do business in the gambling industry, so that the IRGC can make a licensing suitability determination. The scope of the background investigations conducted on individuals is dependent upon their role in the business, with those in positions of greater responsibility undergoing a more robust investigation.

DCI special agents conduct background investigations on all employees who work at the 19 casinos in the state of Iowa. The majority of those backgrounds fall into two categories, Class C and Class O. The Class C and O backgrounds are completed on employees working in every department of the casino such as hotel housekeeping, property maintenance, food and beverage services, slot machines, table games, security, surveillance and mid-level management. The background investigation is an effort to crosscheck the individual's past criminal history, if any, potential financial issues, review past employment history, legal proceedings, regulatory issues in other gaming jurisdictions and other facets. These lower level personal background investigations constitute the highest volume of backgrounds completed by special agents. The volume of Class C and Class O varies each fiscal year, ranging from 1,612 to 2,329 over fiscal years FY14 to FY19. The time required to complete them also varies, ranging from .5 hours up to 10 hours for each background depending on the amount of information that must be investigated and verified.

Class A background investigations are conducted on individuals in key positions in the casino industry. Examples of individuals required to undergo a Class A background investigation by DCI include the General Manager, Security, Surveillance and Information Technology directors at each casino and those who serve on each casino's non-profit board within their communities. Additionally, key individuals in companies conducting casino-

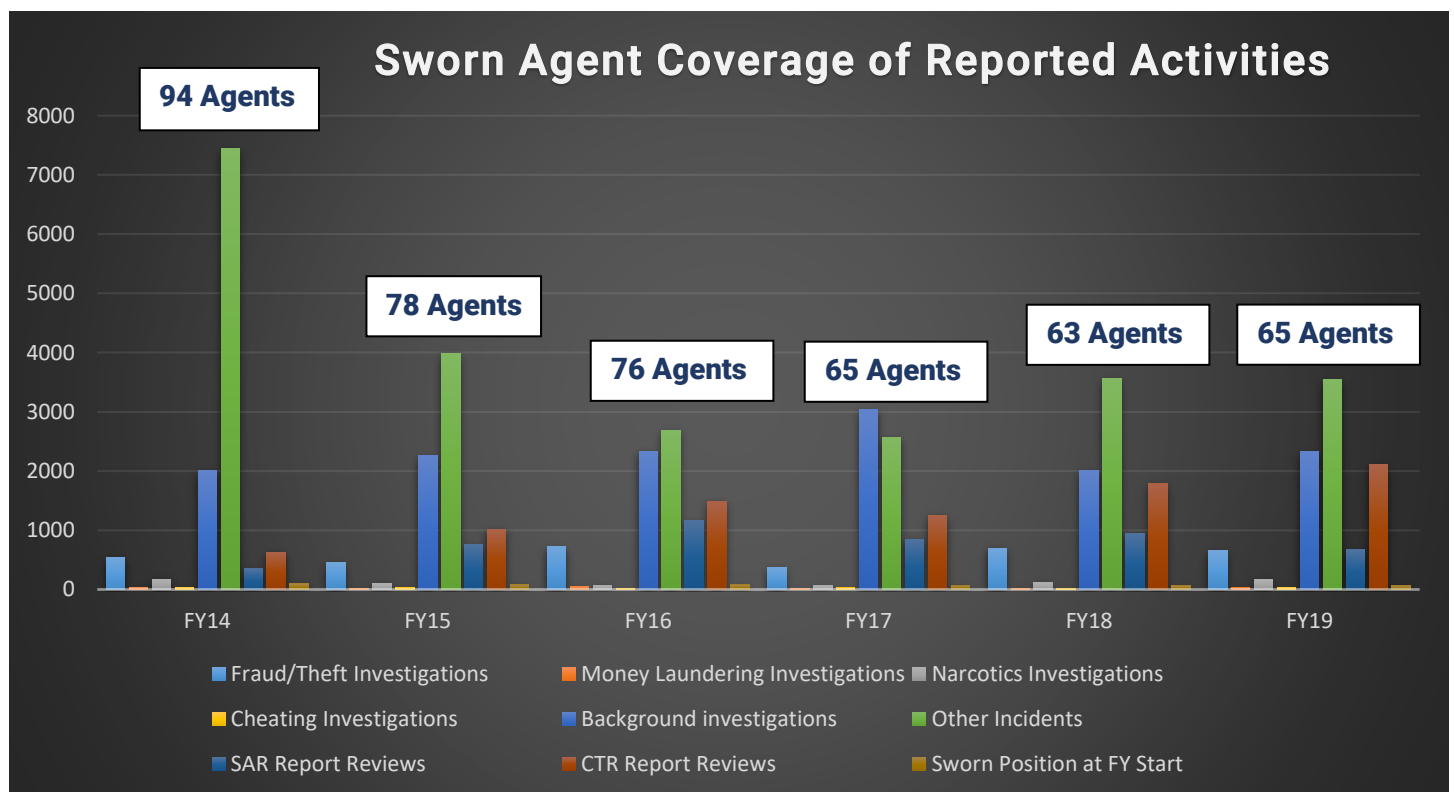
Casino Buyout Investigation

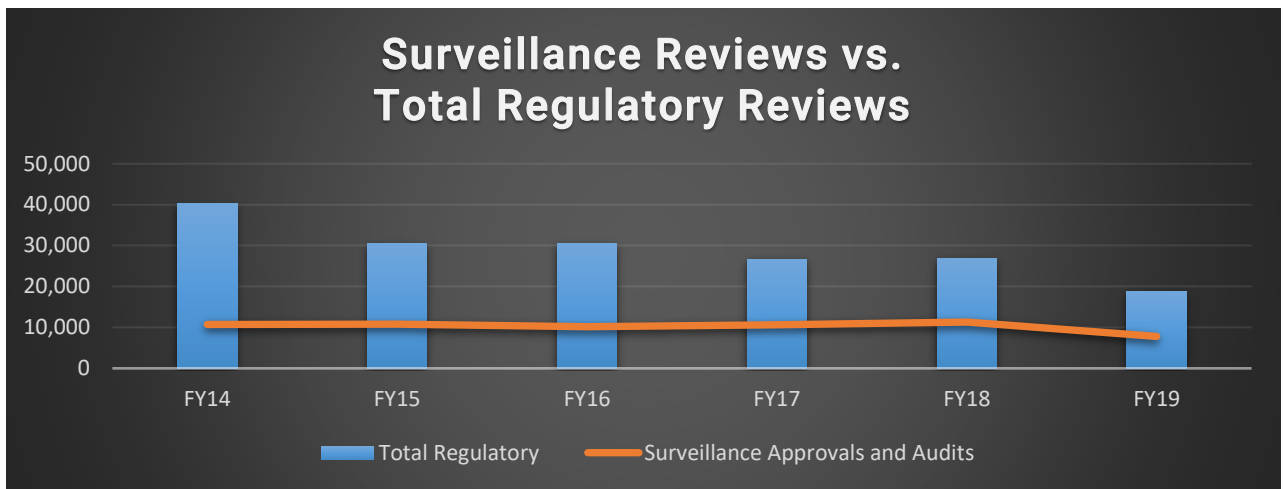
In late 2016 into 2017, DCI Agents conducted a several month's long due-diligence investigation related to Eldorado Resorts acquisition of the Isle of Capri casino corporation. The transaction was valued at over \$1.7 billion and included a change in ownership for two Iowa licensed casinos – the Isle Casino Hotel in Waterloo and the Isle Casino Hotel in Bettendorf. A team of special agents spent hundreds of hours investigating the background of Eldorado, the details of the financial transaction and source of funds, the business associations of Eldorado and detailed background investigations of its individual owners and principal officers. Consistent with the normal practice, the DCI presented the investigative findings to the IRGC in executive session to assist in their decision-making process.

related business in Iowa such as larger corporations who own casinos in Iowa, businesses who provide gambling equipment for use in casinos (such as the tables, table felts, cards, dice, chips, etc.) are required to undergo a Class A background investigation. During the course of the investigation, DCI special agents check the individuals for any criminal history, illegal activity, organized crime associations, indicators of corruption, finances, business dealings, legal proceedings, regulatory issues in other jurisdictions, conflicts of interest and political activities. The amount of time a special agent spends on each Class A background investigation is dependent upon a number of variables, primarily the volume and complexity of the information to be reviewed as well as the amount of travel required to complete the investigation. The number of Class A backgrounds varies annually; ranging from 62 to 94 per fiscal year from FY14 to FY19. The average time needed to complete a Class A background investigation is approximately 80 hours but can easily require over 100 hours on larger, more complex investigations.

Class D background investigations are those related to an overall vetting of a business seeking to conduct operations in the Iowa casino industry. These tend to be the most complex investigations, requiring an in-depth review of a company from the organizational structure to its financial condition and past business dealings. The amount of time necessary for special agents to complete backgrounds on businesses like these can vary significantly due to a number of factors, such as the size and complexity of the company, the organizational structure, the availability of records and geographic location. Class D backgrounds constitute the smallest volume of background investigations, with the volume ranging from 3 to 16 per fiscal year from fiscal years FY14 to FY19. The average time needed to complete a Class D background investigation is approximately 80-150 hours, but can exceed 200 hours on particularly large or complex organizations. In addition to the initial Class D background investigation, each licensed entity also undergoes an update investigation each year. These investigations update key pieces of information such as the management team, regulatory issues in other jurisdictions, legal proceedings and other notable information.

In compiling the activity statistics for this report, the DCI utilized previously reported activities of the special agents assigned to each of the 20 licensed facilities operating in Iowa by fiscal year. The statewide totals of reported activities are displayed in the table below:





- **Fraud/Theft Investigations**
 - Includes forgery, theft, unlawful use of a driver's license, falsifying an IRGC license application, counterfeit currency or chips and other fraudulent acts.
- **Money Laundering Investigations**
 - Includes investigations concerning potential money laundering activity in the casino environment.
- **Narcotics Investigations**
 - Includes both felony and misdemeanor narcotics investigations
- **Cheating Investigations**
- **Background Investigations**
 - Includes Class A (key personnel), Class D (corporate), Class C, Class O, Lottery backgrounds and personnel backgrounds for the DCI.
- **Regulatory Inspections/Reviews**
 - Includes surveillance coverage approvals, card inspections, dice inspections, roulette inspections, pit stand inspections, table cover inspections, soft drop observations, soft count observations, jockey run inspections, starting gate and box inspections and barn/kennel inspections.
- **Other Incidents**
 - Includes all other criminal investigations, arrests and calls for service or assistance including, but not limited to: assisting the IRGC with follow up on potential casino violations related to regulatory matters (such as poker room violations or surveillance citations) and assisting IRGC with questioned applicant materials. Other examples include investigations into suspicious activity or damage to property (public/private) outside of the casino floor in a parking garage, parking lot, convention center or hotel. Agents receive numerous requests from outside law enforcement agencies to assist with warrant service for individuals and subpoenas for information, surveillance reviews for suspects and their contacts and all other safety and security concerns at the facilities.
- **SAR and CTR Reports:**
 - Includes a review of reports casinos are required to file in relation to Title 31 of the Bank Secrecy Act. Examples include individuals buying in or cashing out large sums of money, making multiple smaller transactions, refusing to provide identification, questionable sources of funds or any other financial activity reasonably deemed suspicious by the casino. A review of these reports is intended to screen for potential criminal activity that warrants further investigation.

COORDINATED EFFORTS

Iowa's dual-agency oversight model for the gambling industry inherently requires a coordinated effort between the IRGC and the DCI. On an almost daily basis, the two agencies coordinate efforts on background investigation requirements as the IRGC carries the licensing authority and the DCI conducts the background investigations needed to make the licensing decision. Beyond background investigations and licensing activities, there are a variety of other instances in which the two agencies must work together.

Poker Room Investigation

In 2016, DCI Agents investigated reports of side bets occurring in the poker room of a licensed casino. Side bets are not an IRGC approved form of wagering and as such are considered illegal gambling under Iowa law. The investigation revealed the reported activity was occurring on a regular basis with the full knowledge of management within the poker room. The DCI and IRGC collaborated to identify the best remedy for the situation. The DCI did not pursue criminal charges against the 20-30 patrons involved in the activity and the IRGC addressed the regulatory matters through corrective action with the casino.

The authority of the IRGC is generally limited to regulatory matters and in some instances, the law enforcement authority of the DCI is necessary. Likewise, there are instances in which the DCI needs the regulatory authority of the IRGC to bring an investigation to a successful conclusion. For example, a past case recounted below involved an audit finding concerning the manner in which some casino expenses were being paid.

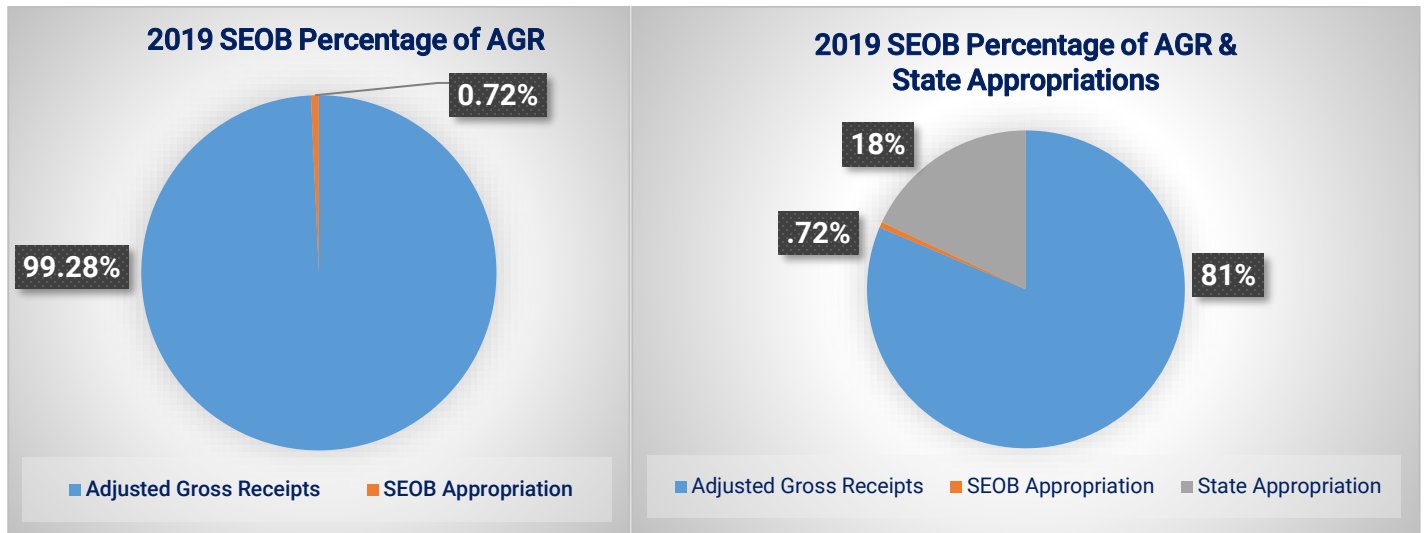
Joint Audit Investigation

An IRGC Gaming Representative and DCI Agents worked cooperatively to gather the information needed to determine the full scope of the activity related to an audit. Through the joint investigation, it was determined a key employee was utilizing a personal credit card for high-value casino-related purchases to gain credit card rewards followed by a reimbursement by the casino. A portion of the investigation was to determine if the purchases violated any IRGC rules requiring contract approvals or the use of approved vendors. The investigation did not result in any criminal charges, however, the IRGC took corrective action concerning the procurement process. Neither agency had the ability to access every piece of information needed for the investigation, but collectively all relevant information came to light, which was imperative to a successful outcome.

DCI STAFFING LEVELS

In 2013, the Legislature amended the Iowa Code to change the staffing model for the Division of Criminal Investigation through a 3-year reorganization process. The reorganization required the elimination of the Special Agent 1 position and authorized an additional Special Agent 2 position at each excursion gambling boat and gambling structure. At the beginning of the reorganization process, the DCI had 108 sworn personnel (one Assistant Director, seven Special Agents in Charge, 38 Special Agent 2s and 62 Special Agent 1s) assigned to 18 licensed casino. Through the reorganization process, the DCI reduced the number of sworn personnel by 41% to an authorized strength of 64 sworn personnel. Currently, there are 20 licensees at 19 property locations with the authorized personnel consisting of one Assistant Director, five Special Agents in Charge, 57 Special Agent 2s and one Special Agent 1. While the original reorganization language called for the elimination of the Special Agent 1 position, the legislature amended the language in 2016 to retain the two most senior Special Agent 1s until those staff members retire or otherwise leave the position they occupied at the time.

The DCI compiled information concerning the number of SEOB FTEs authorized for Gaming and the legislative appropriation for DCI Gaming Enforcement as well as the Adjusted Gross Receipts (AGR) of the Iowa casino industry from 2011 through 2019.

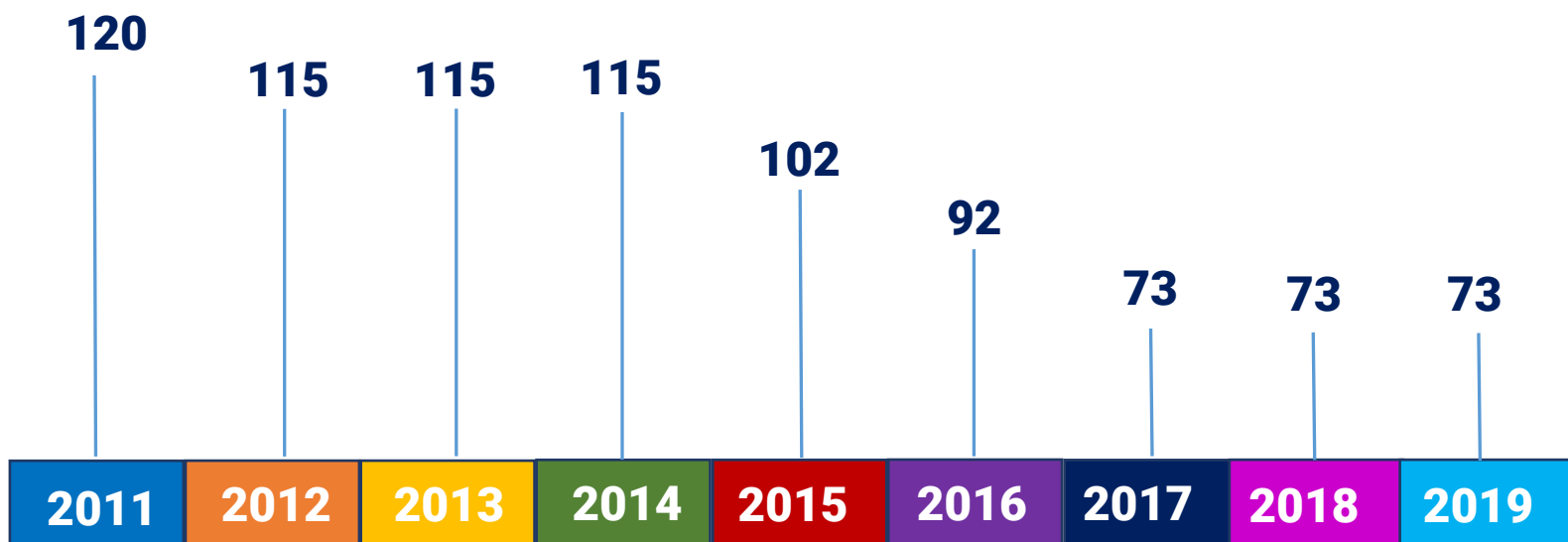


DEFINITIONS:

AGR:	Adjusted Gross Receipts (gross receipts less winnings)
SEOB Appropriation:	Funding authorized for DCI gaming enforcement activities
% of AGR:	Percentage of AGR utilized to fund DCI activities
SEOB FTEs:	Total number of personnel in appropriation, including support staff
State Appropriation and Outlays:	Taxes paid by the Iowa gaming industry

Year	AGR	SEOB Appropriation	% of AGR	SEOB FTEs	State Appropriation & Outlays
2011	\$1,379,171,223	\$ 9,793,589	0.71%	120	\$302,575,000
2012	\$1,465,963,976	\$10,335,709	0.71%	115	\$330,807,000
2013**	\$1,444,208,514	\$10,898,008	0.75%	115	\$331,834,210
2014**	\$1,388,198,982	\$10,898,008	0.79%	115	\$307,100,000
2015**	\$1,415,526,156	\$10,898,008	0.79%	102	\$309,500,000
2016**	\$1,437,136,230	\$10,898,008	0.76%	92	\$321,700,000
2017	\$1,453,207,739	\$ 9,745,272	0.67%	73	\$323,400,000
2018*	\$1,463,808,371	\$11,335,218	0.77%	73	\$322,000,000
2019	\$1,457,011,629	\$10,469,077	0.72%	73	\$323,300,000
* Replacement of DCI SEOB Police radios	**SEOB Appropriation remained unchanged during reorganization.				

SEOB FTE TIMELINE



LICENSEE COMMENTS

In preparation for this report, the DCI interviewed the general managers of each licensed casino in an effort to gain industry insight into the effectiveness of the current staffing model, any recommendations concerning the staffing model and their view of the role the DCI has in the casino industry.

CALCULATING THE VALUE OF SAFETY



Most General Managers perceive the fee charged for DCI oversight as a cost that is “high,” yet it is also generally viewed as a necessary operational expense to ensure safety and security. “Having a law enforcement presence is essential to the industry,” said one executive. The fee structure for DCI personnel at gaming properties is a concern that typically varies depending on the size of the operation.

The cost/benefit analysis is widely regarded as less fair to smaller properties. All casinos are paying the same rate for agents, however there is a feeling that there may be a more equitable way to fund services than paying a “flat rate fee.” Their role as business managers requires them to continually look at ways to “do more with less,” and cutting DCI fees is one possible solution to growing budget demands. One General Manager made an industry observation stating, “Our market has not been growing since 2006. For us it’s a pretty flat line, but our expenses continue to rise.” Overall, the fee distribution is a concern that led some managers to suggest a change in fee structure based on a proportion of revenues generated by their casino.

ENSURING SAFETY, UPHOLDING INTEGRITY



Across the board, General Managers expressed that DCI presence adds a greater sense of security at their properties. When listing the benefits of having DCI agents assigned to Iowa casinos, managers value protection and assistance with safety, and they cite greater confidence with support from experts trained in identifying and investigating criminal activities. There is an overall comfortability of guests and business managers since Iowa does not allow weapons on gaming sites. Some managers believe casinos are less likely to be targets when trained and armed DCI officers are on site. “The DCI being here is another set of eyes to assure our security.” DCI presence is also seen as important to upholding the integrity of the gaming industry. Iowa has a long history of keeping corruption out, and DCI presence serves as a deterrent. DCI presence provides peace of mind for the casinos, the public and the Commission.

EXPLORING STAFFING MODELS



There is consensus in the Iowa gaming industry that DCI oversight is a respected, responsive and required collaboration. One General Manager noted there is both a “fiscal responsibility and a relationship responsibility” to determine the best model for today’s Iowa gaming business. It is generally believed among General Managers that the 2013 reorganization was the correct decision for the industry, and has improved communication between the DCI and gaming organizations. However, the current staffing model and fee structure of three agents assigned to each property, as set forth in Iowa Code, has bred a sense of agent ownership that occasionally produces a misperception of unmet expectations. “Three agents are assigned to a property and paid for by that property. That always led me to believe they were our property’s agents.” Another key General Managers observance is that agents are not present during peak business hours in evenings and weekends, which seems to conflict with their desire to cut costs and have fewer agents. General Manager comments concerning staffing models suggest a more customizable model based on the size of a casino property, or a regional concept whereby agents are dispatched to a property on an as-needed basis.

FINDING REASONABLE SOLUTIONS



The potential for crime in the gaming industry requires most General Managers to form a strong partnership with DCI representation and local law enforcement to prevent and mitigate crimes occurring at all hours on their properties. The DCI is viewed as a trust, poised agency that employs a problem-solving approach to patron issues— before taking enforcement action — whereas General Managers have identified at times that local law enforcement may be quicker to take enforcement action. Other advantages of the DCI include response consistency and credibility. The DCI is valued for its knowledge of regulatory requirements, expertise in surveillance and conducting crime investigations, ability to perform background investigations on prospective employees and licensee applicants, and authority to enforce laws. Several General Managers expressed their appreciation for the DCI approach to regulatory matters, as well as indicating DCI agents don’t seek out violations, rather they work with them to identify solutions. While local law enforcement agency partnerships are also generally successful and positive, and result in fast response during peak hours, there is a perceived lack of experience and expertise to handle gaming violations and higher-level criminal matters.

IRGC COMMENTS

The DCI interviewed the Administrator of the Iowa Racing and Gaming Commission to gather Commission insight into the effectiveness of the current staffing model, any recommendations concerning the staffing model and the Commission view of the role the DCI has in the casino industry. In addition to the information gathered from the Administrator, the IRGC provided an addendum containing additional information that is attached to this report.



The IRGC identified three areas in which they view the role of the DCI to be important:

1. Providing a law enforcement presence and criminal investigative ability both in the casinos and for all gambling laws in the state,
2. Oversight of the surveillance systems in the casinos, and
3. Conducting background investigations on licensees.

Of those roles, the IRGC views the law enforcement and criminal investigation role to be the most important; further stating there is no one else who can provide the type and level of service provided by the DCI. The background investigations conducted by the DCI for licensing determinations are also of significant importance to the Commission.

The IRGC views the DCI law enforcement presence as something that is essential to the industry. Administrator Ohorilko discussed the long history of the Iowa casino industry enjoying an environment free from corruption, further indicating the DCI role in the industry serves as a deterrent to that element. The presence of the DCI provides peace of mind to the casinos, the public and the Commission. If the DCI were no longer in the casino environment, there would be two primary risks to the industry. First, there could be an increase in both gaming-related and other criminal activity in the casinos. Second, the security staff of the facilities lack the training, experience and expertise to address serious gaming crimes or any major criminal issue that may arise at a casino. The Commission also relies on the law enforcement authority of the DCI in certain situations. There are instances in which the two agencies must work together for a successful investigation as the authority of the Commission is limited and the law enforcement authority of the DCI is needed. It is important for the two agencies to continue working together on serious issues as they have in the past.

If the DCI were no longer in the casino environment, there would be two primary risks to the industry. There could be an increase in both gaming-related and other criminal activity in the casinos. The security staff of the facilities lack the training, experience and expertise to address serious gaming crimes or any major criminal issue that may arise at a casino.

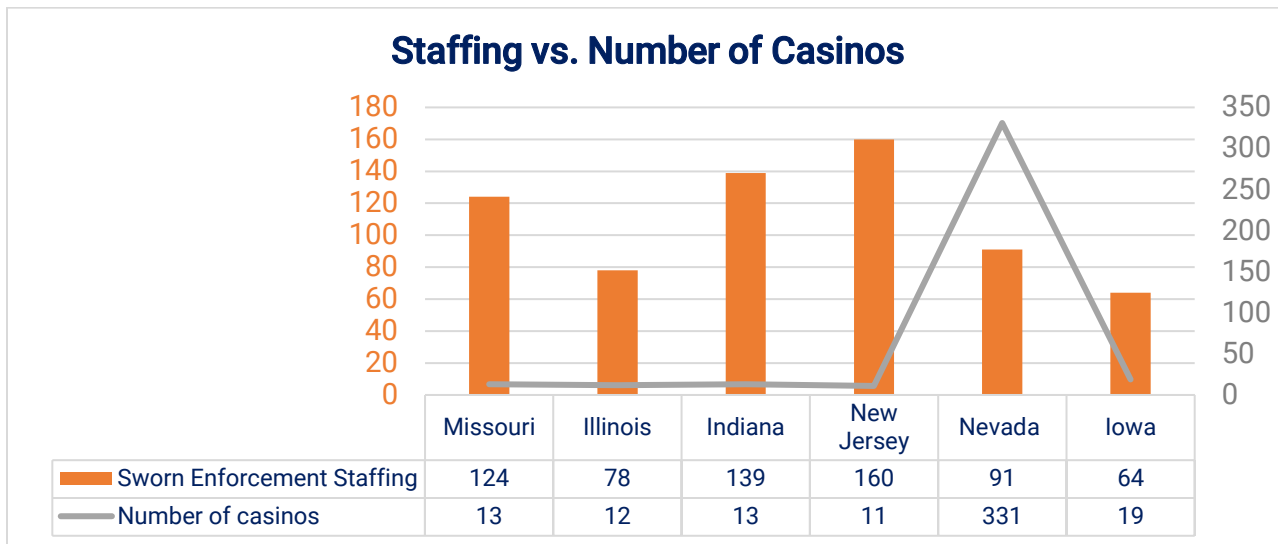
To the knowledge of Administrator Ohorilko, the DCI investigates a variety of incidents in the casinos such as minors entering the casino, false jackpot claims (typically so that the true winner can avoid paying offsets that are owed to the State), suspicious sports wagering activity and background investigations. He believes these to be the most common crimes in the casino environment along with other activity investigated by the DCI like trespassing, prostitution and drug-related activity.

The IRGC identified two potential areas in which the DCI could improve, both of them related to licensing background investigations. It would be helpful to the IRGC if lower level background investigations were completed more quickly. It is important to them to receive the results of these investigations as quickly as possible. They would also like to find a way to reduce the costs associated with conducting the high-level background investigations needed for a new manufacturer or distributor to be licensed in Iowa. There have been instances in which a company has declined to submit a license application due to the background cost. For these companies, the limited business they would gain in Iowa is not enough to justify the background cost.

GAMING STATE COMPARISONS

The DCI contacted the gaming regulatory and enforcement agency for the states of Missouri, Illinois, Indiana, New Jersey and Nevada as reference points concerning the staffing levels and funding model utilized in other states. Each state has a slightly different approach to the regulation and enforcement of the gambling industry, however the gambling industry consistently provides the funding for those efforts either through regulatory fees or taxation.

	Sworn Enforcement Staffing	Number of Casinos	Enforcement Budget	Casino revenue FY19	Budget % of Revenue
New Jersey*	160	11	\$51,000,000	\$3,233,543,977	15.76
Indiana	139	13	\$18,568,927	\$2,212,515,896	0.83
Missouri	124	13	No data	\$1,735,757,881	No data
Nevada**	91	331	\$53,900,000	\$11,907,585,000	0.45
Illinois	78	12	\$13,396,400	\$1,347,092,271	0.99
Iowa	64	19	\$10,469,077	\$1,457,011,629	0.72
*Budget is agency wide.		**Nevada has 2,013 additional restricted casinos.			



- Missouri staffs 6-10 per casino to cover 24/7 at 13 casinos
- Illinois has 78 sworn at 10 casinos and 2 race tracks
- Indiana staffs 11-13 per casino to cover 24/7 at 13 casinos
- New Jersey staffs 110-120 investigators and 50 State Troopers to cover 9 casinos 24/7 plus 2 online casinos
- Nevada staffs 91 sworn to cover 331 non restricted and 2013 restricted license properties
- Iowa staffs 64 sworn for 19 properties with 2 racetracks

LAW ENFORCEMENT AGENCY COMMENTS

In preparation for this report, the DCI solicited letters and comments from other law enforcement agencies. The DCI received letters from the:

- U.S. Department of Justice, Federal Bureau of Investigation
- Nebraska Attorney General's Office
- Black Hawk County Sheriff's Office
- Douglas County Sheriff's Office (Nebraska)
- U.S. Department of Justice, Drug Enforcement Administration
- Council Bluffs Police Department
- Internal Revenue Service Criminal Investigation
- Waterloo Police Department
- Worth County Sheriff's Office
- Altoona Police Department

Each of these letters expressed the support their offices have received from the DCI directly related to its role in the casino environment in Iowa. Agencies specifically highlighted the DCI's access to information, the ability to assist in the identification of suspects, identification of criminal methods employed by suspects, surveillance assistance and training assistance.

"I'd have to have an honest conversation with the city board about what the priority of the types of investigations would be for us, and honestly, the casinos would be the ones who would lose on that. We wouldn't be able to provide a quality service to those calls because of a lack of priority and attention it should have due to numbers, volume, lack of experience, etc."

- Dennis Kramer, Burlington Police Chief

In addition to the letters and comments received from local law enforcement agencies indicated they would experience negative consequences if there were any further reduction in DCI Agents in the casinos. Local law

"Police officers are accustomed to being able to adapt to situational changes. However, it would cause a burden to our local department financially to hire additional personnel for coverage of the extra duty created by having the casino with less agents aboard in our jurisdiction with uncertainty that the revenue would trickle down from gambling proceeds to our local government to cover the expense."

- Paul Sikorski, Davenport Police Chief

enforcement officers typically do not have experience conducting casino-related investigations and would need to receive training at a cost to the local agency. They also expressed concern for an increase in calls for service to the casinos; placing a greater strain on their limited resources.



KIM REYNOLDS, GOVERNOR
ADAM GREGG, LT. GOVERNOR

RACING AND GAMING COMMISSION
BRIAN J. OHORILKO, ADMINISTRATOR

Addendum- Commission Comments for 99F.10(4)g Report July 1, 2020

The Iowa Racing & Gaming Commission (IRGC) was created by the Pari-Mutuel Wagering Act in May of 1983. The IRGC is charged with the administration of the Iowa Pari-Mutuel Wagering Act and Excursion Boat Gambling Act which provides for the IRGC to have full jurisdiction over and shall supervise all race meetings and gambling excursions. Legislation was signed in 2019 authorizing sports betting and fantasy sports contests in the state under the regulation of the IRGC. Governed by Iowa Code Chapters 99D, 99E and 99F, the IRGC administers the laws and agency rules to assure the public of the integrity of racing, gambling and sports wagering operations and its participants.

The IRGC works in partnership with the Division of Criminal Investigation (DCI) Gaming Bureau now known as the Special Enforcement Operations Bureau (SEOB). The IRGC and the DCI SEOB have a working understanding of the day to day regulation as it pertains to administrative rules and Iowa Code Chapters 99D, 99E, and 99F. Both agencies have unique and separate responsibilities outlined in Iowa Code and, respectively, carryout the regulation and enforcement of those responsibilities.

Pursuant to Iowa Code Chapter 99F.10(4)"g", "The division of criminal investigation shall review the number of special agents permitted for each excursion gambling boat or gambling structure under this subsection and the activities of such agents. The review shall also include comments from the commission and licensees and be combined with the review conducted under section 99D.14, subsection 2, paragraph "f". The division of criminal investigation shall file a report detailing the review conducted pursuant to this paragraph with the co-chairpersons and ranking members of the joint appropriations subcommittee on the justice system and the legislative services agency by July 1, 2020." In order to comply with the requirements of the above mentioned Iowa Code, the IRGC is providing data for shared responsibilities and tasks on which the DCI SEOB and IRGC work closely. These areas include: background investigation reports, surveillance compliance, and assistance with enforcement of potential criminal violations occurring at casinos.

IRGC utilizes the DCI SEOB to conduct backgrounds of entities and individuals licensed under Iowa Code Chapters 99D, 99E, and 99F. Individuals seeking an occupational license complete a Class A, Class C, or Class O background depending on the responsibility they hold within the industry. Class A backgrounds are the most comprehensive, Class C backgrounds are moderate in nature, and Class O backgrounds are the most basic. Entities seeking a license to conduct gambling or sports wagering in Iowa and entities seeking a license to manufacture or distribute gambling games in Iowa complete a Class D background. Class D backgrounds are comprehensive and focus on entities as opposed to individuals. Data gathered by IRGC staff

1300 DES MOINES STREET, SUITE 100 | DES MOINES, IOWA 50309-5508
PHONE: 515-281-7352 | FAX: 515-242-6560 | WEB SITE <https://irgc.iowa.gov>

demonstrate the numbers of backgrounds are typically higher at busier facilities. The amount of time between IRGC submissions to DCI SEOB and when background results are received vary among casinos across the state. In addition, the information investigated and contained in background results vary widely among the reports submitted to the IRGC.

Iowa Code Chapter 99F.4(18) provides for the continuous recording of all gambling activities to be performed by guidelines established by the DCI SEOB. The IRGC has an understanding of those guidelines. The IRGC refers industry questions regarding surveillance to the DCI SEOB. The DCI SEOB provides surveillance incident reports and yearly audits to IRGC field staff. Data reviewed by IRGC staff indicate 12 reports of surveillance coverage violations from January 2017 through April 2020. The IRGC and DCI SEOB work more closely in specific areas of surveillance which has resulted in IRGC staff having a heightened awareness in those respective surveillance areas. In 2009, the DCI and casino industry requested the IRGC begin approving controls related to each casino's surveillance organizational structure, the administration of the surveillance network, and surveillance maintenance plan. The IRGC routinely reviews and approves those requests in consultation with the local DCI SEOB agents. In 2020, the IRGC further refined its administrative rules to require more specific internal controls by the industry. The IRGC reviews and approves those internal controls. The IRGC also works closely with local DCI SEOB agents regarding temporary approval of surveillance coverage for gambling games as authorized pursuant to 661-141.10(11). Data gathered by IRGC staff demonstrate the number of approvals and reasons for approval vary widely among casinos across the state.

The DCI SEOB provides assistance with enforcement of potential criminal violations occurring at casinos by investigating incidents and providing IRGC staff with incident reports for the purpose of potential administrative action of occupational licenses or facilities. Data collected by IRGC staff show that DCI provided 229 incident reports to IRGC staff from January 2017 through April 2020. Data gathered also demonstrate the number of reports provided vary widely among facilities across the state. 33%, or 76, of the incident reports provided pertained to table games inspections. It should be noted that table games are gambling games and therefore the IRGC is the primary entity responsible for auditing. The IRGC has a longstanding compliance program for review and auditing of gambling games across all facilities. The DCI SEOB also provides assistance with enforcement of potential criminal violations occurring at casinos by investigating referrals made by IRGC staff. IRGC staff referred 47 incidents to the DCI SEOB agents in 2018 and 2019. 66% of the cases referred in 2018 and 2019 were for incidents involving potential theft, fraudulent activity, or underage gambling. Of all incidents referred by IRGC staff to the DCI SEOB in 2018 and 2019, 51% resulted in additional criminal charges being filed.

In summary, this report was prepared in accordance with Iowa Chapter 99F.10(4)g. We obtained all information relevant to this report through our compliance database and information requests to our field staff. If you have any questions please contact the IRGC by phone at (515)281-7352 or by mail to Iowa Racing and Gaming Commission, 1300 Des Moines St., Suite 100, Des Moines, IA 50309-5508.



U.S. Department of Justice
Federal Bureau of Investigation

4411 S. 121st Court
Omaha, NE 68137

June 26, 2020

Mr. Stephan Bayens
Iowa Department of Criminal Investigations
215 E. 7th Street
Des Moines, IA 50319

Dear Mr. Bayens:

I just want to write this letter and thank you for the positive cooperation we consistently receive from your officers assigned to casinos. During my entire time in the Omaha Field Office, more than ten years, your officers have provided valuable intelligence and assistance in many different kinds of cases and from casinos as far apart as Council Bluffs, Sioux City and Waterloo.

Drug traffickers frequently use casinos to attempt to launder their proceeds and use the hustle and bustle of casinos to hide drug meetings and transactions. Your units frequently provide us with records and videotapes that enhance our investigations. Drug traffickers aren't the only ones who try to launder funds at casinos. We investigated a large health care fraud case and the casino records your officers provided proved valuable in determining the disposition of the funds.

Additionally, casino hotels are frequently used by subjects on the run or passing through. Your officers have provided records, assisted in surveillance and helped prove the activities of the subjects.

Again, I would just like to say thank you for the assistance provided by your casino units.

Sincerely,

Kristi K. Johnson
Special Agent in Charge

By: *Paula I. Ebersole*
Paula Ebersole
Assistant Special Agent in Charge



STATE OF NEBRASKA
Office of the Attorney General

2115 STATE CAPITOL BUILDING
LINCOLN, NE 68509-8920
(402) 471-2682
TDD (402) 471-2682
FAX (402) 471-3297 OR (402) 471-4725

DOUGLAS J. PETERSON
ATTORNEY GENERAL

Mark Moraczewski
Chief Investigator MFPAU

May 5, 2020

Iowa Division of Criminal Investigation
Attn: A/D David Jobes
215 South 7th ST
Des Moines, IA 50319

Dear Mr. Jobes,

I am the Chief Investigator of the Nebraska Medicaid Fraud and Patient Abuse Unit in the Nebraska Attorney General's Office. I am writing to advise you of the importance of your investigators, such as Cheryl Keller, and the assistance they provide to our agency.

Part of our Unit's responsibilities involve investigating the financial exploitation of individuals who reside in Medicaid-funded facilities or who may be cared for at home by a Medicaid provider. When working these cases, we will often subpoena bank records. If during the review of those records, we see withdrawals at any of the Iowa casinos or ATMs at or near the casinos, we use a very important tool in our tool box which is making contact with your investigators. Through the years, your investigators have assisted us by putting us in contact with County Attorneys to get subpoenas so that we can request the information we need. They have also been able to provide us with information on whether our suspect has a casino player's card or is a known frequent player. This is so important and is an essential part of building our cases.

We have worked with numerous DCI Investigators. They have always been great to work with and been very accommodating. In the recent years, we have worked with Cheryl Keller who also has been very professional in providing information needed and direction as far as which County Attorney to contact to assist in getting a subpoena to the casinos for records.

One of our Investigators is part of the leadership of the Eastern Nebraska Anti-Fraud Association, and she had asked Cheryl to speak at one of their quarterly meetings in Omaha. These meetings are attended by employees of the Nebraska Dept. of Justice, Dept. of Insurance, and Health and Human Services, as well as people from the private sector such as insurance companies and financial groups. Cheryl spoke at the February 14, 2019 meeting and did a great job in providing information that was very useful to everyone

who attended the meeting.

In closing, the work of your investigators and the data they provide has been critical in some of the biggest cases investigated by our Unit -- not just financial exploitation cases but also cases where providers are billing Medicaid for services they were not providing. Without this information, our suspicions remain just a suspicion. The data that is provided has been critical in cases that have been prosecuted and where defendants have been found guilty.

I would like to thank you and your Investigators for the cooperation we have received and the team work that makes this work. We hope this continues for years to come.

Sincerely,



Mark Moraczewski
Medicaid Fraud and Patient Abuse Unit
Nebraska Attorney General's Office

225 EAST SIXTH STREET
WATERLOO, IOWA 50703

TONY THOMPSON, SHERIFF

OFFICE PHONE: (319) 291-2587
ADMINISTRATIVE FAX (319) 291-2541
JAIL FAX (319) 291-2569
WWW.BHCSO.ORG



SHERIFF

BLACK HAWK COUNTY

June 25, 2020

Dear Legislator,

It has come to my attention that the casino industry in Iowa is attempting to remove the Iowa DCI agents from the casinos in order to remove their obligation to pay for those services.

As the Investigative Division Commander of our Sheriff's Office, I want you to understand the importance of the role of these agents and the working relationship that our department has with the DCI agents at the Waterloo Casino. This close working relationship exists because this casino is in our community and there is, unfortunately, a definitive link with crime that occurs in our community and activity that subsequently occurs at the casino.

Based on experience, it is quite common for certain types of crimes like burglaries and robberies to have a direct nexus to casino gambling activity. Often times, the perpetrators and/or their accomplices frequent the casino as part of their criminal activity and investigative efforts/assistance of the DCI agents aid these investigations. Black Hawk County just solved a burglary/robbery ring and the assistance from the DCI agents at the Waterloo and Dubuque casinos was instrumental in case arrest/closure.

Our investigators and deputies routinely rely and seek the assistance the DCI agents that work at the casino and often times their investigative efforts prove fruitful to our ability to solve these types of crimes. Without these agents in the casino, it will undoubtedly detrimentally affect our ability to completely and thoroughly investigate cases. These are crimes, I remind you; that have victims that live in our community. Regrettably, the casino industry is aware of this.

The efforts by the casino industry to remove the DCI agents is self-serving, with zero concern for public safety and no regard for the welfare of the communities that host these casinos. Their effort to remove their obligation to pay for the agents, of which they agreed to when entering the casino business in Iowa, is purely and solely to improve their profit margin. Secondly, the removal of DCI agents also removes the oversight that is absolutely necessary for this type of industry, both in reality and when considering the perception of transparency. The suggestion by the casino industry that they are not needed is both outlandish and ridiculous.

In the 1990's when casinos were approved in Iowa, the legislators that statutorily mandated DCI agents to be in the casinos did so purposefully and with legitimate reason. Those mandates have been tried, tested, and proven to be with good reason and merit over the last two decades. Please do not allow yourself to be swayed or manipulated by corporate greed and do the right thing for the citizens of our State; mandate that DCI agents continue assignment at our casinos at current staffing levels.

Sincerely,

Mark Herbst

Captain Mark Herbst
Patrol/Investigative Division Commander
Chief Deputy



Timothy F. Dunning - Douglas County Sheriff

3601 NORTH 156TH STREET
OMAHA, NEBRASKA 68116-6461
PHONE 402-444-6641

Iowa Division of Criminal Investigations
A/D David Jobes
215 South 7th Street
Des Moines, IA 50319

RE: Special Enforcement Operations Bureau

Dear Mr. Jobes:

This letter is submitted for your consideration in support of the work that the Special Enforcement Operations Bureau does in the Omaha / Council Bluffs metro area on a day to day basis.

I am the Commander of two Divisions for Douglas County Sheriff's Office (Omaha, NE): The VINOC (Vice, Narcotics, and Organized Crime) Division and the K9/Interdiction Division. As such, the type of cases that we investigate range from narcotics trafficking to human trafficking, from gambling to gang activity, from criminal interdiction to canine operations.

Through the natural course of our investigations, we have the routine opportunity to work with S/A Cheryl Keller. S/A Keller's quick response and thorough approach is a constant and always well appreciated. If not for the Special Enforcement Operations Bureau's casino-based directive, law enforcement as a whole would lose out on a valuable layer of information. That information has played a key role in numerous investigations for Douglas County Sheriff's Office in the past.

Collectively, our team takes pride in the departmental relationships built through the varied nature of our work. We sincerely hope that the foundation that has been set only continues to grow in the future.

Thank you for your consideration.

Sincerely,

Will Niemack 5-354

Lt. Will Niemack
Douglas County Sheriff's Office
Criminal Investigations Bureau



U. S. Department of Justice
Drug Enforcement Administration
Omaha Field Division
Office of the Special Agent in Charge
2707 North 108th Street, Suite D-201
Omaha, Nebraska 68164

www.dea.gov

APR 22 2020

Assistant Director David Jobes
Iowa Division of Criminal Investigation
215 South 7th Street
Des Moines, Iowa 50319

Dear Assistant Director Jobes:

Members of the of the Drug Enforcement Administration (DEA), Omaha Field Division (FD), Task Force Group 1 (TFG1), often request the assistance from the Special Enforcement Operations Bureau when investigations have connections to the casinos in our area of responsibility. TFG1 has worked closely with Special Agent (SA) Cheryl Keller on multiple occasions and one such occasion was an investigation into the YANG Drug Trafficking Organization (DTO). This organization was a poly-drug, multi-state trafficking network responsible for transporting methamphetamine, marijuana, and psilocybin from California to Iowa, Nebraska, Missouri, Minnesota, and Indiana. It was discovered that members of the YANG DTO were responsible for laundering hundreds of thousands of drug proceeds through Iowa casinos in an attempt to show the currency was a legitimate means of income.

Throughout the investigation, SA Keller provided player card information for requested individuals. Ultimately, SA Keller was able to work with the casino security and record and alert agents when targets of this investigation were present at the casino. SA Keller's actions helped with identifying new members and associates of the DTO. Individuals that SA Keller helped identify resulted in TFG1 members discovering multiple locations in Storm Lake, Iowa, where members of the YANG DTO stored narcotics. On May 2, 2019, multiple state search warrants were executed in Storm Lake, Iowa, which resulted in the arrest of 3 members of the DTO, the seizure of 3 firearms, approximately 4.2 pounds of methamphetamine, 70 pounds of marijuana, and 56.0 grams of psilocybin. Storm Lake Police Department was able to seize three vehicles. A financial investigation is still underway.

Enforcement Operations Bureau Investigators have been a vital partner for the DEA Omaha FD and have worked alongside DEA to successfully investigate narcotics and financial investigations. SA Keller has been outstanding in her efforts to assist the DEA and has been a valuable partner. The DEA hopes to continue this relationship with your investigators and thank you for your continued support.

Sincerely,

A handwritten signature in blue ink, reading "Richard W. Salter, Jr.".

Richard W. Salter, Jr.
Special Agent in Charge

COUNCIL BLUFFS POLICE DEPARTMENT

Captain Todd Weddum
Criminal Investigation Division Commander
1 Ezra Jackson Way
Council Bluffs, IA 51503

Office Phone: (712) 890-5230
Fax: (712) 328-4759
taweddum@councilbluffs-ia.gov



To Whom It May Concern,

4/22/2020

I am sending this letter with the intent to show my agency's support of the State of Iowa's Special Enforcement Operations Bureau. I am currently in command of our Department's Criminal Investigation Division and over the years, I have established a very positive working relationship with the Supervisors and Agents assigned to our local casinos.

Gaming Agents have assisted detectives assigned to my unit with several criminal cases. A couple of examples include the arrest of a person that had embezzled more than \$200,000. Agents were also willing to assist us in a recent homicide investigation – they were able to discredit one of the suspect's claims that they were inside a casino at the time the murder took place. Financial crime cases being cleared by our agency, with the assistance of Gaming Agents, is a regular occurrence.

We depend and rely upon the casino Agents/Supervisors whenever we need criminal evidence related to any of our City's three casinos. They are able to obtain the requested information or video footage in a very timely manner. Sometimes when we, as a local law enforcement agency, attempt to get cooperation ourselves, from private businesses, we encounter reluctance. The Special Enforcement Operations Bureau officials are vital to my agency's ability to conclude many criminal investigations.

Respectfully,

A handwritten signature in black ink, appearing to read "T. Weddum", with a stylized flourish at the end.

Captain Todd Weddum

COUNCIL BLUFFS POLICE DEPARTMENT – 1 EZRA JACKSON WAY, COUNCIL BLUFFS, IA 51503
"An Equal Opportunity Employer"



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

Criminal Investigation

April 27, 2020

David Jobes
Assistant Director
Iowa Department of Public Safety
Division of Criminal Investigation
215 South 7th St.
Des Moines, IA 50319

Dear Mr. Jobes:

On behalf of Internal Revenue Service, Criminal Investigation (hereafter IRS-CI), I would like to thank the special agents that work inside the gaming industry of the Division of Criminal Investigation (hereafter DCI). Over the years the Iowa DCI agents have offered valuable insight and assistance to several of our special agents in support of our criminal cases. Historically, the crimes which IRS-CI investigate, tax and money laundering, frequently involve sophisticated means of concealment of monies through the utilization of the gaming industry. In recent cases, DCI special agents have assisted IRS-CI agents in tax investigations involving illegal bookmaking and helped in identifying unreported income. DCI special agents have also been instrumental in assisting us in detecting the money laundering techniques utilized by individuals who are trafficking illicit narcotics. Furthermore, a recent case involving a potential money launderer who was being investigated by IRS-CI and a local police department required surveillance of the target while at the casinos. The DCI special agent went above and beyond to coordinate between the casinos' security departments and the investigators.

I am keenly aware investigations usually require a joint effort between law enforcement agencies. Thank you again for all of your support in our investigations and we look forward to working with your agency in the future.

Sincerely,

A handwritten signature in black ink, reading "John E. Nunez" with a stylized flourish at the end.

John E. Nunez
Supervisory Special Agent
IRS, Criminal Investigation

June 26, 2020

Joel F. Fitzgerald, Sr., Ph.D.
Chief of Police
Waterloo Police Department
715 Mulberry St. Waterloo, IA 50703
Office: 319-291-3200
fitzgeraldj@waterloopolice.com

DCI Assistant Director Jobes,

My Name is Joel; F. Fitzgerald, Sr., Ph.D., I serve as Chief for Police for the City of Waterloo, IA. Our Department supports a Tri-County Drug Enforcement Task Force that consists of Investigators from the Waterloo Police Department, Black Hawk County Sheriff's Office, and Cedar Falls Police Department who cover Black Hawk and Bremer County(s). This diverse area has a population base of approximately 170,000 people from a mixture of ethnic, cultural, and socio economic backgrounds.

Within this population, residents and visitors share the tendency to visit a limited number of geographical locations. One of these frequently visited places is the Isle of Capri. Agents of the Iowa Division of Criminal Investigations assigned to the Isle of Capri are proactive and serve as a tremendous source of state assistance with our Investigations. The Isle of Capri group utilizes strategic investigative tools that have been highly advantageous to the Tri County Drug Enforcement Task Force, patrol divisions, and investigative units for all cities located within the two counties.

It is my belief that the contemplated reassignment of these highly values state partners assigned to Casinos throughout the State of Iowa would negatively affect our cities, and will impede the ability of local law enforcement agencies to conduct expedient and complex investigations. It is my hope that you mount a vigorous appeal to members of the State Legislature; reinforcing the "added-value", collocated/imbedded DCI Agents in casinos bring to these facilities. We have come to depend on the Agents, and in the times we live in, law enforcement partners who augment the public safety mission in local cities are far too valued to lose.

Please contact myself at 319-291-4364 for other needs into this matter.

Thank you.

Sincerely,

Joel F. Fitzgerald, Sr., Ph.D.

"A true hero will not only do what is right, but despite the prospect of losing everything, willingly demonstrates the integrity and fortitude to do what is necessary-as a matter of principle." -JFF, 2020



WORTH COUNTY SHERIFF'S OFFICE



Sheriff
Dan Fank
1000 Central Avenue
Northwood, IA 50459-1527

To Serve and Protect the People of Worth County

Office: 641-324-2481
Fax: 641-324-2611
dfank@worthcounty.org

To Whom It May Concern:

I have been asked to answer a couple of questions about Diamond Jo Casino and DCI Agents in Worth County. First off when the idea first came up about having a casino in Worth County we were advised that the call numbers at the physical casino would be few as the DCI would have agents located in the casino 24 hours a day 7 days a week. At first our call's to the casino was 30-to 40 calls a year and stayed pretty similar until agents started to be limited out at the casino and they moved from having agents there 24/7 to only having Agents during the week on days we then went to 2015- 132 calls, 2016- 181 calls, 2017- 193 calls, 2018- 199 calls, 2019- 206 calls and so far in 2020- 42 calls. We are a small department with limited revenue and can't take on any more call volume at this time with out having huge impacts to the county we serve. The agents at the Casino have helped us out and backed us up on numerous calls in the county and or on the interstate as we are the last county before going in to Minnesota and Troopers are not always close to help and the agents have always been willing to assist as needed. So with saying the above it would be a bad decision and would have grave implications to Worth County and to our service to the people we serve to limit all or anymore agents at the casino in fact it would be nice to staff them with the right number of agents needed to serve this area appropriately. My contact numbers are below if you should like to ask me any questions.

Sincerely


Worth County Sheriff Dan Fank



Gregory J. Stallman
Chief of Police

June 22, 2020

Legislators,

The City of Altoona is home to Iowa's largest casino, Prairie Meadows. The partnership between Iowa DCI Agents assigned to the casino and the Altoona Police Department serves as a collaborative partnership in the prevention and apprehension of criminals and making Prairie Meadows the premier casino destination in Iowa. It has come to our attention that the number of agents assigned to the casino along with some of the duties currently performed by those agents are in jeopardy.

Each law enforcement entity performs a vital function in their own capacity while also assisting each other agency in performance of their duties. From small nuisance crimes to large complex investigations the absence of one part of this successful collaboration greatly influences outcomes.

The Altoona Police Department does not have the staffing to handle the complex crimes that occur at the casino nor can we police the casino without the direct assistance from the agents assigned there. Without the on-site agent's work, this decision will limit them and increase the burden on APD.

Too often in law enforcement the balancing of what is "need" versus what is later deemed a "want" is impacted by our success. "The test of police efficiency is the absence of crime and disorder and not the visible evidence of police action in response to it." (Peel) Iowa has a successful collaborative model for effectively keeping our casinos welcoming and as crime free as possible. This is the model that was envisioned by the legislators when casinos were first approved. It is a model that works and a model that should be kept intact. Change should come when there is problem. The decision to change how casinos are staffed by the DCI will come at a cost that outweighs the benefits. If it is not broken, why fix it?

VR

Greg Stallman

Greg Stallman, Altoona Chief of Police